

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-351-E - ORDER NO. 94-564 ✓
JUNE 20, 1994

| | | | |
|--------|-------------------------|---|----------|
| IN RE: | Application of South |) | ORDER |
| | Carolina Electric & Gas |) | GRANTING |
| | Company To Enter Into A |) | RELIEF |
| | Financing Transaction |) | |

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of South Carolina Electric & Gas Company (the Company) for authority to enter into a transaction to assist in the financing of its working capital needs. The Application was filed pursuant to S.C. Code Ann., §§58-27-1710 and 58-27-2090 (1976) and the Commission's Rules and Regulations.

According to the Application, the Company would finance its working capital needs from time to time by issuance of its promissory notes. Such notes would have maturities of not more than 270 days from date of issue (Commercial Paper) and would be issued to the public in the commercial paper market without registration under the Securities Act of 1933 as authorized by §3 (a) (3). Commercial paper would be issued pursuant to an Issuing and Paying Agency Agreement (the Issuing and Paying Agency Agreement) between the Company and Citibank, N.A. (Citibank) or pursuant to a similar agreement with a different bank.

The Company proposes that it would enter into Credit Agreements (the Credit Agreements) with Wachovia Bank of North

Carolina, N.A., NationsBank of North Carolina, N.A., Citibank, N.A., Union Bank of Switzerland, Credit Suisse, and the Bank of New York (collectively the Banks) which provide for Revolving Credit Loans. The Credit Arrangement would expire June 30, 1997, subject to extension from year to year by the Company and the Banks. The maximum amount of borrowing or commitments at any time outstanding under the initial Credit Agreements is \$100,000,000. The Company has requested authority to increase such maximum amount to \$200,000,000 prior to the expiration of the Credit Agreements. Interest rates for the loans under the Credit Agreements are dependent upon commonly utilized financial market rates, including the banks' prime rate, money market rates, and the London Inter-Bank Offering Rate. The methods of determination of the interest rates for such loans are fully described in the form of the Credit Agreement filed with the Commission.

The Company's Application asserts that the proposed transaction will permit financing of its working capital needs on a favorable basis by providing in effect for continuous financing through use of the Credit Agreements to back up its Commercial Paper. Interest rates for Commercial Paper are market rates and traditionally are below the prime rates charged by banks and interest rates for long term borrowing.

In connection with the instant Application, the Company submitted the following exhibits which were incorporated by reference therein:

Exhibit A: Issuing and Paying Agency Agreement between the Company and Citibank.

Exhibit B: Draft of Credit Agreements together with exhibits thereto between the Banks and the Company.

Exhibit C: Form of Applicant's Consolidated Financial Statement for the period ended March 31, 1994.

Based upon a careful review of the Application and the supporting Exhibits, the Commission finds that the Company is an "electric utility" subject to the jurisdiction of this Commission with respect to its rates, service, and securities issued. The Commission further finds that the proposed transactions are (a) for a lawful object within the corporate purposes of the Company; (b) compatible with the public interest and fair and equitable; (c) necessary and appropriate for and consistent with the proper performance by the Company of its service to the public and will not impair its ability to perform that service; (d) that the amounts and terms of the securities proposed to be issued by the Company in performance of the transactions and fees in connection therewith are reasonable and proper and that the application of proceeds to the uses described in the Application is proper.

It should be noted that approval of this Application does not bind the Commission as to the ratemaking treatment of this issuance. Further, this Order shall not in any way affect or limit the right, duty or jurisdiction of the Commission to further investigate and order revisions, modifications or changes with respect to any provision of this Order in accordance with the law.

IT IS THEREFORE ORDERED:

1. That South Carolina Electric & Gas Company be, and hereby is, authorized to finance, its working capital needs through issuance of its Commercial Paper and borrowing under the Credit Agreements.

2. That the Company be, and hereby is, authorized to enter into the Credit Agreements with the Banks providing for an initial maximum amount of borrowing or commitments outstanding at any one time of \$100,000,000 with an expiration date of June 30, 1997. The Company is also authorized to negotiate extensions from time to time of the expiration date and an increase in such maximum amount not to exceed \$200,000,000.

3. That the Company be, and hereby is, authorized to enter into the Issuing and Paying Agency Agreement with Citibank or into a similar agreement with another bank.

4. That the Company be, and hereby is, authorized to negotiate the terms of transactions described herein and to make such changes in the instruments filed as Exhibits to the instant Application as are reasonably necessary to consummate such transactions.

5. That the Company be, and hereby is, authorized to cause the net proceeds from the sale of the Company's Commercial Paper and borrowing under the Credit Agreements to be applied to the financing of its working capital needs.

6. That the Company be, and hereby is, directed to file conformed copies of the instruments relating to the transactions in the final form in which they are executed.


7. That this Order shall not in any way affect or limit the right, duty or jurisdiction of the Commission to further investigate and order revisions, modifications or changes with respect to any provision of this Order in accordance with the law.

8. Approval of this Application does not bind the Commission


as to the ratemaking treatment of this issuance.

9. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


VICE Chairman

ATTEST:


Executive Director

(SEAL)